

**NOTICE**  
**URBAN ENTERPRISE ZONE BUSINESSES**  
**JULY 13, 2006**

**Effective July 15, 2006, recently passed legislation (A-4702) creates changes to the Urban Enterprise Zones Act. N.J.S.A. 52:27H-60, et. seq.**

**NEW URBAN ENTERPRISE ZONE (UEZ) PROCEDURES**

The UEZ law provides an exemption for certain sales made to a qualified business. The purchase exemption remains effective; however, procedural amendments to the law now require the sales tax to be collected on sales made to qualified businesses on and after July 15, 2006, unless the business is a “small qualified business” (annual gross receipts less than \$1 million in the prior annual tax period.) For this purpose, a business may use its gross receipts from sales as reported for sales tax in the prior year.

In order to administer this procedure immediately, the Division has published a new temporary exemption certificate (**Form UZ-5-SB (Temporary)**). Sellers must obtain the temporary certificate from any business claiming the tax exemption at the point of sale. Sellers have 60 days after the date of the sale to obtain the UZ-5-SB (Temporary) from a small qualified business. For purposes of the point of sale exemption, sellers can no longer rely on the qualified business’s prior exemption certificate (UZ-5). Form UZ-5-SB (Temporary) will be a self-executing form and purchasers will be required to certify that they meet the annual gross receipts threshold of less than \$1 million in the prior tax period. The effective dates of Form UZ-5-SB (Temporary) will be July 15, 2006 to September 30, 2006. The Division expects a new procedure to be in place by October 1, 2006.

*The UZ-5 exemption certificate is now only applicable to purchases made prior to July 15, 2006, regardless of the effective dates printed on the certificate. A qualified business that is not a “small qualified business” and therefore cannot issue the new UZ-5-SB (Temporary) must pay the sales tax at the point of sale, but may apply to the Division for a refund within one year of the sale. The new exemption certificate will be available on the Division’s website under Forms/Print-Download Tax Forms/[UEZ Forms](#).*

Note that there is no change in the use of the Contractor’s Exempt Purchase Certificate (Form UZ-4). This Form is still valid and may be issued and accepted as before.

**FOR MORE INFORMATION**

- Visit our [website](#)
- Call our Customer Service Center at 609-292-6400
- [E-mail](#) us